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C O N F I D E N T I A L PRAGUE 000012

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TAGS: PREL PHUM MARR RU PL EZ
SUBJECT: CZECH FOREIGN MINISTER'S VISIT TO MOSCOW

REF: A. PRAGUE 0009
 B. 2005 PRAGUE 1753

Classified By: CDA Michael Dodman for reasons 1.4 b+d.

¶1. (C) Summary. Czech FM Cyril Svoboda visited Moscow December 20 for meeting with Russian FM Lavrov in Moscow. The two agreed that Russian President Putin may visit Prague in the spring, but only if the Czechs agree (under pressure) to sign IPR license agreements for Soviet-era military technology. FM Svoboda expressed concern regarding the Russia NGO law. The Russians insisted the law is consistent with European NGO law and should be enacted as drafted. Finally, Czech delegation was surprised by the anti-Polish rhetoric at the meeting. End summary.

¶2. (C) CDA and Poloff met January 3 with Tomas Szunyog, Czech MFA's Director of the Eastern Europe Department, to discuss FM Svoboda's December 20 visit to Moscow and other regional issues (see reftel A for discussion on Belarus). Svoboda met with Russian FM Lavrov, as well as President Putin's political advisor and national security advisor. Among the topics discussed were Putin's planned visit to Prague in Spring 2006, the Russian NGO law, and the status of the Czech NGO, People in Need.

¶3. (C) Szunyog said the planned Putin visit (the first Russian presidential visit to Prague in over a decade) would promote economic and cultural relations between the two countries. The Russian priorities are to enter into agreements with the Czechs relating to (1) cooperation on disaster relief, (2) social affairs (pensions, etc.), (3) economic cooperation, and (4) licenses for Soviet-era military equipment. However, the Russians have asked the Czechs not to publicly announce the dates of the visit, which is currently scheduled to take place on March 1-2. The reason could be for security purposes, but as Szunyog suggested, the more likely reason is that the Russians want to use the visit as leverage to pressure the Czechs into signing the military license agreements. Szunyog believes Putin may cancel the visit if he cannot make a show of signing the license agreements while in Prague.

¶4. (C) The license agreements would require the Czechs to pay royalties for licenses relating to Soviet-era military technology. Szunyog noted that much of this is unwanted technology foisted on the Czechs in the first place (that said, some of this equipment is still an important part of Czech military hardware, and some of it is still produced in the Czech Republic and exported). Two of the license agreements concern the payment of royalties for past and current production, and use of certain military equipment (e.g., the T-72). The agreements are particularly controversial because they would permit Russia to control exports of military equipment produced by the Czechs. The carrot would be another agreement, to be signed only if the Russians and Czechs execute the first two agreements, authorizing the Czechs to upgrade their fleet of Soviet-era

helicopters (the MY24), although apparently at a hefty price. Szunyog dryly noted that Ukraine and Belarus have offered to provide spare parts for the fleet at a cheaper price, and without the need to sign any of the license agreements.

¶5. (C) With respect to the draft NGO law, FM Svoboda, as promised, used his meetings to argue for improvements to the law. The Russians insisted the current version of the law is "consistent with European standards," and cited two examples of French and Austrian law (both of which Szunyog characterized as "extreme"). While Szunyog was concerned about the letter of the Russian law, he expressed even greater concern for how the law would be implemented.

¶6. (C) FM Svoboda also asked for Russian permission for the Czech NGO, People in Need (PIN), to resume their operations in Russia (see reftel B). The Russians said they have problems with three Czech NGOs operating in the Northern Caucuses, especially PIN. They said PIN will not be issued a license to resume operations in Russia until the completion of their investigation into the 2004 incident involving the discovery of weapons in a building rented by PIN.

¶7. (C) Finally, Szunyog noted that the Czech delegation was struck by the anti-Polish rhetoric of the Russians. Without providing details, he termed the Russians' comments regarding their neighbor as notably "non-diplomatic." Moreover, he noted that the Russians have taken certain steps that signal an intention to isolate Poland. For example, Putin has visited or plans to visit Hungary, Slovakia, and the Czech Republic, but has declined to visit Poland.

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